

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 05298 01 OF 02 221921Z
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-07 FRB-03
INR-07 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00
CIEP-01 LAB-04 SIL-01 AGRE-00 OMB-01 STR-04 L-03
OIC-02 /088 W
-----221934 001984 /46

O 221912Z FEB 77

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 5420

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 05298

E FOR COOPER; TREASURY FOR SOLOMON AND BERGSTEN; CEA
FOR SCHULTZE; PASS ALSO FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, ECON, OECD

SUBJECT: WORKING PARTY 3 MEETING FEBRUARY 28: SOME
ADDITIONAL QUESTIONS ON SHORTER RUN ADJUSTMENT

REF: A) OECD PARIS 3846, B) OECD PARIS 4645, C) OECD
PARIS 4837, D) OECD PARIS 4836, E) OECD PARIS 5159,
F) OECD PARIS 5386

1. AS MENTIONED IN REFTELS C, D, E AND F, IT IS
EXPECTED THAT, IN ADDITION TO ISSUES RAISED IN
SECRETARIAT'S DOCUMENTATION SPECIFICALLY PREPARED FOR
WP-3'S MEETING ON FEBRUARY 28 (CPE/WP3(77)1 AND 2), WP-3
WOULD ALSO DISCUSS ITS VIEW OF BALANCE OF PAYMENTS
ADJUSTMENT ISSUES RAISED IN DOCUMENTATION PREPARED FOR
EPC MEETING ON MARCH 1 AND 2 (ESPECIALLY CPE(77)1).
ACCORDINGLY, SECRETARIAT (FAY) HAS NOW ISSUED FOLLOWING
NOTE ON SOME ADDITIONAL QUESTIONS FOR DISCUSSION,
WHICH SUPPLEMENTS WP-3 AGENDA REPORTED IN REFTEL A,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 05298 01 OF 02 221921Z

AS AMENDED BY REFTEL B. THE FOLLOWING NOTE WAS APPROVED
BY WP-3 CHAIRMAN EMMINGER DURING MEETING HE HAD WITH
SECRETARIAT REPRESENTATIVES IN FRANKFURT ON FEBRUARY 21.

BEGIN TEXT

SOME QUESTIONS CONCERNING BALANCE-OF-PAYMENTS TRENDS AND

POLICIES IN THE SHORTER RUN

SINCE THE MEETING OF WP-III OF FEBRUARY 28 IS DESTINED ALSO TO PREPARE THE SUBSEQUENT EPC MEETING IN SO FAR AS THE EXTERNAL SIDE IS CONCERNED, THE WORKING PARTY SHOULD ENDEAVOUR TO ACHIEVE A CONSENSUS ON SOME SHORTER-RUN EXTERNAL PROBLEMS WHICH HAVE BEEN MENTIONED IN THE EPC DOCUMENT EPC(77)2. THIS COULD BE DONE BY HAVING IN THE AFTERNOON OF FEBRUARY 28 A TOUR D'HORIZON WHICH MIGHT CONCENTRATE ON THE FOLLOWING QUESTIONS:

1. DOES THE SECRETARIAT'S ASSUMPTION LOOK REASONABLE THAT IN 1977 THE EXTERNAL TRADE OF OECD COUNTRIES WILL GROW (IN VOLUME) BY LITTLE MORE THAN 6 PER CENT (AGAINST 12 TO 13 PER CENT IN 1976)?
2. DOES IT LOOK PLAUSIBLE THAT THE CURRENT ACCOUNT SURPLUS OF THE OPEC COUNTRIES WILL BE REDUCED BY ABOUT 5 BILLION DOLLARS IN 1977 (AS IS ASSUMED IN CPE(77)2 PARA. 22), AND WHAT ARE THE LIKELY FURTHER TRENDS (INTO 1978) OF EXPORTS TO THE OPEC COUNTRIES AS WELL AS THE NET OIL IMPORTS OF INDUSTRIAL COUNTRIES? CAN THE REDUCTION OF THE OPEC SURPLUS BE SPEEDED UP BY MEASURES WHICH ARE EFFECTIVE IN THE SHORT RUN?
3. IS IT PLAUSIBLE THAT THE CURRENT DEFICIT OF THE NON-OIL DEVELOPING COUNTRIES WILL INCREASE BY ABOUT 3 BILLION DOLLARS IN 1977, AND WILL THIS ASSUMPTION HOLD

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 05298 01 OF 02 221921Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 05298 02 OF 02 221920Z
ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00 INRE-00
AID-05 CEA-01 CIAE-00 COME-00 EB-08 EA-07 FRB-03
INR-07 IO-13 NEA-10 NSAE-00 OPIC-03 SP-02 TRSE-00
CIEP-01 LAB-04 SIL-01 AGRE-00 OMB-01 STR-04 L-03

OIC-02 /088 W

-----221934 001998 /46

O 221912Z FEB 77

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 5421

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 05298

GOOD IF WORLD TRADE EXPANDS SOMEWHAT MORE THAN EXPECTED BY THE SECRETARIAT? CAN WE ACCEPT THE SECRETARIAT'S ASSUMPTION (CPE/WP3(77)1 PARA. 7) THAT THERE WILL BE NO SERIOUS FINANCING DIFFICULTIES FOR SUCH AN INCREASED CURRENT DEFICIT, AT LEAST NOT FOR THE DEVELOPING COUNTRIES AS A GROUP?

4. WHAT IS THE REACTION OF MEMBERS OF THE WORKING PARTY TO THE SECRETARIAT'S 1977 CURRENT ACCOUNT FORECASTS FOR THEIR OWN COUNTRIES AND FOR THE OECD AREA AS A WHOLE? DOES IT LOOK AT ALL LIKELY THAT THE COMBINED DEFICIT OF "OTHER OECD MEMBER COUNTRIES" WILL CONTINUE UNCHANGED AT ITS PEAK LEVEL (IN SPITE OF THE OBVIOUS DIFFICULTIES SOME OF THESE COUNTRIES ARE HAVING IN ACCUMULATING FURTHER LARGE DEFICITS)?

5. WHAT KINDS OF POLICIES SHOULD, IN THE VIEW OF MEMBERS, BE ADOPTED - OR STRENGTHENED - WITH A VIEW TO ACCELERATING THE ADJUSTMENT PROCESS AMONG THE OECD COUNTRIES IN THE SHORT RUN, AND WHAT ARE, IN PARTICULAR, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 05298 02 OF 02 221920Z

THE VIEWS OF MEMBERS ON THE ROLE OF

A) DIFFERENTIAL DEMAND MANAGEMENT OF DIFFERENT GROUPS OF COUNTRIES,

B) MEASURES TO IMPROVE COMPETITIVENESS, AND IN PARTICULAR MAKING APPROPRIATE USE OF EXCHANGE RATE CHANGES?

END TEXT

TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, COMMITTEE MEETINGS, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OECDP05298
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770061-0807
Format: TEL
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770221/aaaaaspe.tel
Line Count: 163
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 13ee60c3-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 OECD PARIS 3846, 77 OECD PARIS 4645, 77 OECD PARIS 1976
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3265067
Secure: OPEN
Status: NATIVE
Subject: WORKING PARTY 3 MEETING FEBRUARY 28: SOME ADDITIONAL QUESTIONS ON SHORTER RUN ADJUSTMENT
TAGS: EFIN, ECON, OECD
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/13ee60c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009